

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

OREGON BANCORP, INC

Point of Contact:	Neil D. Grossnicklaus	RSSD: (For Bank Holding Companies)	3823198
UST Sequence Number:	811	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	3,216,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	April 24, 2009	City:	Salem
Date Repaid ¹ :	N/A	State:	Oregon

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Although loan demand has weakened due to the poor economic conditions, the Bank continues to lend to creditworthy borrowers due in part to the CPP Capital.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Residential mortgage lending has increased from \$160 million in 2008 to \$225 million in 2009 and \$170 million in 2010.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

OREGON BANCORP, INC

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☐ Increase reserves for non-performing assets.

☒ Reduce borrowings.

Participation in the CPP program has permitted the Company to reduce borrowings to fund normal banking operations.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

OREGON BANCORP, INC

☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

The CPP capital has increased the company's capital levels. However, the Company's capital ratios would have been well above the required regulatory capital levels without the CPP capital.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

OREGON BANCORP, INC

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Although it is difficult to determine, it is possible the Company may have curtailed new loan originations had it not received the CPP investment.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

OREGON BANCORP, INC

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The Company has made a concerted effort to increase lending and aid the recovery of the local economy by continuing to place a strong emphasis on originating residential mortgage loans. Total residential mortgage loans totaled \$170 million for the year. In addition, the Bank is able to continue lending to small and medium sized businesses. Although total loan balances decreased \$11.6 million, the Bank originated \$9.5 million of new loans during 2010.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

OREGON BANCORP, INC

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

There were no other actions the institution was able to undertake due to the capital infusion of CPP funds.